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April 11, 2007

VIA OVERNIGHT MAIL

Charles L.A. Terreni, Chief Clerk
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

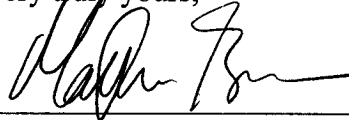
Dear Mr. Terreni:

Enclosed herein for filing on behalf of Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), and any successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively, "Trinsic"), and Matrix Telecom, Inc. ("Matrix") (and, together with Trinsic, the "Petitioners"), please find the original and eleven (11) copies of a Joint Petition seeking the Authority's **expedited** approval, to the extent necessary, to transfer control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix, as more fully set forth in the Petition. Pursuant to Commission rules, I am concurrently serving a copy of this Petition on the Office of Regulatory Staff.

Trinsic and Matrix urgently request that the Commission approve the proposed sale before June 4, 2007. Approval before this date is required under the terms of the Asset Purchase Agreement entered into by the Petitioners and, because Trinsic has filed for bankruptcy, approval is necessary to ensure the continuation of service to Trinsic's customers.

Please stamp and return to me in the enclosed envelope the copy provided for that purpose. Should you have any questions regarding this filing, please do not hesitate to contact me.

Very truly yours,



Matthew A. Brill
Richard R. Cameron
Attorneys for Matrix Telecom, Inc.

Enclosures
cc: Office of Regulatory Staff

**Before the
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

In the Matter of

**Trinsic Communications, Inc.,
Touch 1 Communications, Inc., and
any Successor in Interest, Including a
Chapter 7 Bankruptcy Trustee**

AND

Matrix Telecom, Inc.

**Joint Application for Approval of a
Transfer of Assets**

No. 2007-134-C

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JOINT APPLICATION FOR APPROVAL OF A TRANSFER OF ASSETS

Trinsic Communications, Inc. ("Trinsic Communications"), Touch 1 Communications, Inc. ("Touch 1"), and any successor in interest of either, including a Chapter 7 bankruptcy trustee (collectively, "Trinsic"), and Matrix Telecom, Inc. ("Matrix") (and, together with Trinsic, the "Applicants," by their undersigned counsel and pursuant to SC Code § 58-9-310, hereby request approval from the Public Service Commission of South Carolina ("Commission") to transfer control of Trinsic's assets used to provide local and long distance telecommunications services to Matrix.

On March 21, 2007, Trinsic and Tide Acquisition Corporation ("Tide") entered into an Asset Purchase Agreement,¹ (the "APA") under which Tide would acquire the assets of Trinsic used to provide telecommunications services, as well as Trinsic's customer accounts across the nation, including in South Carolina. Tide subsequently assigned its rights under the

¹ Asset Purchase Agreement by and among Tide Acquisition Corporation, as Purchaser, and Trinsic, Inc., Trinsic Communications, Inc., Touch 1 Communications, Inc., Z-Tel Network Services, Inc., and Z-Tel Consumer Services, LLC, as Sellers, dated as of March 21, 2007.

APA to Matrix. The proposed transaction will cause no interruption in service to customers. No existing service will be discontinued, reduced, or impaired as an immediate result of the sale of these assets. Furthermore, this transaction will have no immediate impact on the rates for any services Trinsic currently provides to any customer.

Trinsic and Matrix urgently request that the Commission approve the proposed sale before June 4, 2007. On February 7, 2007, Trinsic and its affiliates filed a petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Alabama (the “Bankruptcy Court”). Trinsic ultimately determined that a successful business reorganization would not be possible and, following a Court-supervised auction, entered into the APA, which, prior to the assignment to Matrix, provided for the sale of its assets to Tide. The APA requires the sale to be complete on or before June 4, 2007, and this deadline has been approved by the Bankruptcy Court. Accordingly, the Applicants, respectfully request that the Commission approve this application as expeditiously as possible in advance of that date in order to allow them to meet their contractual obligations.

To accomplish this sale, the Applicants further request that the Commission grant a waiver of the Commission’s regulations governing the changes to a customer’s telecommunications provider, SC Code 58-3-230, to the extent those rules are inconsistent with Federal Communications Commission’s (“FCC’s”) rules governing the sale of a carrier’s customer base, 47 C.F.R. § 64.1120(e). The Applicants will comply with the FCC’s notice and certification requirements applicable to transfers of carrier customer bases. This FCC rule ensures that all customers receive advance notice of the planned transfer and any potential impact (none in this case) on their telecommunications services. In addition, Matrix will comply with any notice requirements contained in Trinsic’s contracts with its customers. Thus, as

discussed in greater detail below, compliance with state rules is unnecessary in this case and would cause customers to receive additional, redundant notices that could cause customer confusion.

In support of this Application, Applicants provide the following information:

I. Description of the Applicants

A. Trinsic

Trinsic Communications, a Delaware corporation, and Touch 1, an Alabama corporation, are both wholly owned subsidiaries of Trinsic, Inc., a Delaware corporation, which was founded in January 1998 as Z-Tel Technologies, Inc. Trinsic provides circuit-switched local and long-distance telephony services in 49 states and the District of Columbia. In South Carolina, Trinsic holds Commission-issued authority to provide local exchange and resold interexchange services.²

Trinsic provides residential and business local and long distance telecommunications services in combination with enhanced communications features accessible through the telephone, the Internet, and certain personal digital assistants. These Trinsic services include a suite of proprietary Internet-based and voice-activated functions called "Trinsic Center," which feature voicemail, "Find Me," "Notify Me," caller identification, call forwarding, three-way calling, call waiting, and speed dialing services, as well as a "Personal Voice Assistant," which utilizes voice-recognition technology so that users can access secure, online

² Trinsic Communications is authorized to provide local exchange service and interexchange service pursuant to Docket Number 98-303-C, Order Number 2000-809 (Oct. 2, 1998). Touch 1 Communications, Inc. is authorized to provide resold interexchange service pursuant to Docket Number 94-586-C (Jan. 26, 1995).

personal address books from any phone using simple voice commands in order to send voice e-mails, find contact information and dial numbers, among other things.

At the end of 2006, Trinsic served approximately 150,000 residential and business customers, in addition to approximately 23,000 stand-alone presubscribed long distance customers, primarily by reselling wholesale long distance services and “local wholesale” services purchased from the Bell Operating Companies and other large incumbent local exchange carriers (“ILECs”). In addition, in 2004, Trinsic began offering “voice over Internet protocol,” or “VoIP” services as an alternative to its other traditional circuit-switched service offerings.

As a result of changes to its cost structure resulting from, among other factors, the elimination of ILEC unbundled network element platform (“UNE-P”) offerings, Trinsic was forced to seek relief from the Bankruptcy Court on February 7, 2007. The proposed sale of its assets to Matrix provides an opportunity to ensure continuity of service to Trinsic’s customers.

B. Matrix

Since 1999, Matrix, a Texas corporation, has been an indirect wholly owned subsidiary of Platinum Equity, LLC (“Platinum Equity”), a Delaware limited liability company headquartered in Beverly Hills, California. Platinum Equity is a global firm specializing in the merger, acquisition, and operation of companies that provide services and solutions to customers in a broad range of business markets, including telecommunications, information technology, logistics, manufacturing, and entertainment distribution. Since its founding in 1995, Platinum Equity has acquired more than 60 businesses with more than \$12 billion in aggregate revenue at the time of acquisition.

Matrix provides competitive integrated communications services, including local, long distance, and toll-free voice services plus a wide range of data services, such as dedicated Internet access, frame relay, and point-to-point transmission services, chiefly to enterprise

customers throughout the United States. Matrix holds Commission-issued authority to provide local exchange and resold interexchange services in South Carolina.³ In 2005, Matrix completed the acquisition of certain assets from Global Crossing Telecommunications, Inc. (“GC”) primarily consisting of the customer base of GC’s Small Business Group.

Matrix also is affiliated with Americatel Corporation (“Americatel”) and soon will be affiliated with Startec Global Operating Company (“Startec”), both Delaware corporations. Platinum Equity has indirectly controlled Americatel since it acquired indirect ownership of 95 percent of its equity in July 2006. Americatel provides international and domestic facilities-based and resold long distance services, including “dial around” casual calling (i.e., 1010XXX) service and presubscribed 1+ calling services, in each of the 48 contiguous states, with a particular emphasis on serving the needs of United States customers with connections to Latin America and the Caribbean. In addition, Platinum Equity will soon obtain indirect control of Startec, which provides long distance, Internet, and other communications services in over 45 states and internationally. The parties expect the Startec merger to close later this year, following receipt of necessary regulatory approvals. Platinum Equity, through its ownership of these companies, and Matrix, based on its history of successful operation, have amply demonstrated their qualifications to purchase and operate Trinsic’s assets.

³ Matrix is authorized to provide local exchange service pursuant to Docket Number 2005-98-C (Aug. 25, 2005) and resold interexchange service pursuant to Docket Number 90-517-C (Dec. 19, 1990).

C. Contact Information for the Applicants:

Questions or any correspondence, orders, or other materials pertaining to this Application should be directed to the following.

For Trinsic:

Peggy Rubino
Senior Vice President, Regulatory and Legal
Affairs
Trinsic, Inc.
601 S. Harbour Island Blvd., Suite 220
Tampa, Florida 33602

Tel: (813) 233-4628
Fax: (813) 233-4620

With a copy to:

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Atlanta, Georgia 30326

Tel: (404) 231-4567
Fax: (404) 231-4618

For Matrix:

Scott Klopach
Vice-President of Regulatory Affairs and
General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Tel: (214) 432-1468
Fax: (214) 432-1576

With copies to:

Eva Kalawski
Executive Vice President, General Counsel
and Secretary
Platinum Equity, LLC
360 North Crescent Drive, South Building
Beverly Hills, California 90210
Tel: (310) 712-1850
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Latham & Watkins LLP
555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: (202) 637-2225
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II. Description of Transaction

On February 7, 2007, as described above, Trinsic and its affiliates sought relief from creditors before the Bankruptcy Court. During the Bankruptcy Court proceedings, Trinsic

ultimately determined that a successful business reorganization would not be possible. Tide, a newly formed subsidiary of Platinum Equity, was the winning bidder in an auction conducted under the supervision of the Bankruptcy Court, and entered into the APA with Trinsic on March 21, 2007. Tide subsequently assigned its rights and obligations under the APA to Matrix. The APA requires the sale to be completed within 75 days, or on or before June 4, 2007, and has been approved by the Bankruptcy Court.

The Applicants anticipate that this sale will be seamless and transparent to Trinsic's customers. Under the terms of the APA, Matrix will acquire Trinsic's entire local and long distance customer base, together with its rights and responsibilities under contracts necessary to operate Trinsic's business, Trinsic's real and personal property, equipment, fixtures, intellectual property, trademarks, and most other Trinsic assets. Thus, the proposed sale of Trinsic's assets to Matrix will cause no interruption in service to customers. No existing service will be discontinued, reduced, or impaired as a result of the sale of these assets. Furthermore, this transaction will not affect rates for, or terms or conditions of, any service being provided by Trinsic to customers in South Carolina. Further, Matrix will continue to provide service to these customers using the Trinsic names, possibly on a co-branded basis.

III. Request for Waiver of Rules Governing Changes to Customer Telecommunications Providers

In addition to approval of the sale of assets, Applicants request that the Commission grant a waiver of the Commission's rules governing changes to a customer's telecommunications carriers, SC Code § 58-3-230, to the extent those rules are inconsistent with the FCC's rules governing the sale of a carrier's customer base. The Applicants will comply with FCC rules requiring Matrix to certify to the FCC that it has provided at least 30 days'

written notice to each customer affected by this transaction, 47 C.F.R. § 64.1120(e)(1-3), specifically including notice of:

- (i) the date on which the acquiring carrier will become the subscriber's new provider of telecommunications service;
- (ii) the rates, terms, and conditions of the service(s) to be provided by the acquiring carrier upon the subscriber's transfer to the acquiring carrier, and the means by which the acquiring carrier will notify the subscriber of any change(s) to these rates, terms, and conditions;
- (iii) the fact that the acquiring carrier will be responsible for any carrier change charges associated with the transfer;
- (iv) the subscriber's right to select a different preferred carrier for the telecommunications service(s) at issue, if an alternative carrier is available;
- (v) the fact that all subscribers receiving the notice, even those who have arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to the acquiring carrier, unless they have selected a different carrier before the transfer date; existing preferred carrier freezes on the service(s) involved in the transfer will be lifted; and the subscribers must contact their local service providers to arrange a new freeze;
- (vi) the identity of the carrier that carrier will be responsible for handling any complaints filed, or otherwise raised, prior to or during the transfer against the selling or transferring carrier; and
- (vii) The toll-free customer service telephone number of the acquiring carrier.

In addition, all of Trinsic's customers will receive notice of the transaction required under their service contract with Trinsic, if they have one. A copy of the notice that will be sent to customers is attached as Exhibit A.

A waiver of inconsistent or additional Commission rules governing customer notices in this context will serve the public interest because, without such a waiver, customers would receive multiple redundant (and potentially inconsistent) notices that could cause them confusion. Further, following the sale, Matrix intends to provide Trinsic's former customers

with quality telecommunications services, without interruption or change to the rates, terms, and conditions applicable to the services they receive resulting from the acquisition.

Further, compliance with South Carolina's rules governing changes to a customer's telecommunications carrier in the context of this transaction is not necessary to achieve the purpose of those rules and to ensure that all customers receive ample actual notice of the transaction, because each and every customer will receive the notice prescribed under the FCC's rules. Finally, if the Applicants are unable to achieve compliance with the state notice requirements governing sales of customer bases prior to closing, individual customers could be at risk for interruption to their telecommunications services.

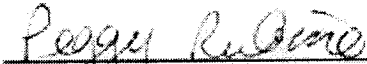
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For the foregoing reasons, the Applicants respectfully request that the Commission approve the proposed sale of assets from Trinsic to Matrix. The Applicants further request that the Commission grant a waiver of its rules governing changes to a customer's telecommunications carrier, to the extent those rules are inconsistent with the FCC's rules governing the sale of a carrier's customer base. Finally, the Applicants respectfully request that the Commission grant this relief before June 4, 2007, to permit them to meet their contractual obligations under the APA, as approved by the Bankruptcy Court.

Respectfully Submitted,

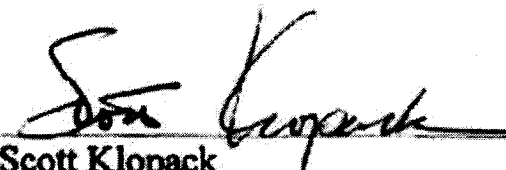
TRINSIC COMMUNICATIONS, INC.,
TOUCH 1 COMMUNICATIONS, INC.,

By:


Peggy Rubino
Senior Vice President, Regulatory and
Legal Affairs
Trinsic, Inc.
601 S. Harbour Island Blvd., Suite 220
Tampa, Florida 33602

MATR

By:

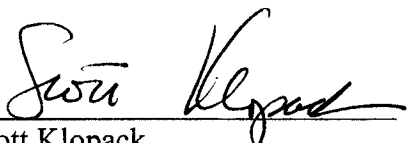

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Ric Washington, D.C. 20004-1304
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STATE OF TEXAS)
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COUNTY OF DALLAS)

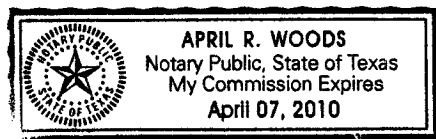
VERIFICATION

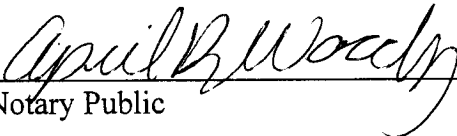
I am authorized to represent Matrix Telecom, Inc. and to make this verification on their behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are herein stated on information and belief, and as to those matters, I believe them to be true.



Scott Klopach
Vice-President of Regulatory Affairs
and General Counsel
Matrix Telecom, Inc.
7171 Forest Lane, Suite 700
Dallas, Texas 75230

Sworn and subscribed before me this 5th day of April, 2007.





Notary Public

My commission expires April 7th 2010

Exhibit A
Customer Notice

An Important Notice from Trinsic Communications, Touch 1 Communications, and Matrix Business Technologies About Your Local and Long Distance Telephone Service

Dear Valued Customer:

Trinsic Communications, Inc. and Touch 1 Communications, Inc. (collectively, "Trinsic") are pleased to announce that Matrix Telecom, Inc. d/b/a Matrix Business Technologies ("Matrix") is purchasing their local, long distance, international, and data communications service business. The anticipated date for the transfer of these services to Matrix is June 4, 2007, or as soon thereafter as Trinsic and Matrix obtain the necessary regulatory approvals. Upon completion of the transfer, while Matrix will become your new service provider, you will continue to receive the same Trinsic service you enjoy today. Matrix is working closely with Trinsic to ensure that the transfer of control goes smoothly and without service interruption to any customers. Your local telephone number(s) will NOT change as a result of the transfer.

Matrix is a leading provider of competitive telecommunications services including voice, data, and Internet services. Over the past 15 years, Matrix has built a solid reputation as a trusted communications partner dedicated to providing the latest technology solutions. As a Matrix customer, you will continue to receive all of the same features, services, rates, terms and conditions of service that you enjoy today. Notice of any future changes in rates, terms and conditions of service will be provided to you by mail or in your bill, or otherwise as provided in your service contract, if you have one. In addition to complying with any requirements of your service contract, Matrix will provide you with at least 30 days' written notice of any rate increase implemented within 90 days of completion of the sale from Trinsic to Matrix. Matrix looks forward to serving all of your communications needs.

As always, you may choose another carrier for your telephone service at any time provided another service provider is available, and subject to the terms of your service contract, if you have one. Unless you choose another carrier before the transfer date, you will automatically become a Matrix customer for any services you currently receive from Trinsic upon completion of the transfer. You do not need to take any action to be transferred to Matrix. Matrix will pay any carrier change charges associated with the transfer of your account to it. If you have placed a "freeze" on Trinsic's local or long distance services to prevent their unauthorized transfer to another carrier, it will be lifted when your Trinsic services are transferred to Matrix. At your request, Matrix can re-establish freeze protection for you after the transfer. There will be no change to the provider of any service you receive from a carrier other than Trinsic as a result of the transfer.

It has been Trinsic's pleasure to provide you with quality local, long distance, international and data communications services and we emphasize that you will also be treated as a valued customer of Matrix. The changes described above are subject to federal and state approval of the sale. Until the actual transfer date, Trinsic will continue to be responsible for all customer service and billing issues. You should contact Trinsic with any complaints or other customer services inquiries you may have prior to the transfer. After the transfer date, you should refer your questions and complaints to Matrix.

We appreciate your understanding and support during this transition period. Should you have any questions regarding your service, you can always contact your Trinsic service representative at 877-987-4674. For questions regarding Matrix or the services it offers, please call 888-411-0111.